

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte RAHN WOOD and CHARLES EDWARD BREESE

MAILED

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U.S. PATENT AND TRADEMARK OFFICE
BOARD OF PATENT APPEALS
AND INTERFERENCES

Appeal No. 2006-1238
Application No. 09/298,763
Technology Center 3622

HEARD: July 25, 2006

Before OWENS, LEVY, and NAPPI, Administrative Patent Judges.
LEVY, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal from the examiner's final rejection of claims 1-39, which are all of the claims pending in this application.

We AFFIRM-IN-PART.

BACKGROUND

The appellants' invention relates to an interactive reward system and method (specification, page 1).

Claim 1 is representative of the invention, and is reproduced as follows:

1. A computer-implemented method for interactively and electronically distributing rewards and for increasing the click-through rate for advertisements, comprising the steps of:

displaying an advertising image on a computer screen of a local computer, the image including a reward indicator, wherein the local computer is coupled to a computer network;

enabling a user to select the advertising image;

at a central location coupled to the computer network, seamlessly determining the identity of the user when said advertising image is selected;

at the central location, automatically allocating a reward associated with the advertising image when said advertising image is selected, wherein said allocating step includes

storing a reward identifier with the identity of the user in a database, said

reward indicator identifying a promotional incentive; and

optionally redirecting the local computer to a webpage associated with the image.

The prior art reference of record relied upon by the examiner in rejecting the appealed claims is:

Jovicic et al. (Jovicic) 5,885,007 Dec. 29, 1998

Claims 1, 5-13, 16-22, 24, 25, 32-35 and 38 stand rejected under 35 U.S.C. § 102(e) or in the alternative under 35 U.S.C. § 103(a) as being unpatentable over Jovicic.

Claims 2-4, 14, 15, 23, 26-31, 36, 37 and 39 stand rejected under 35 U.S.C. § 103(a) as being obvious over Jovicic.¹

Rather than reiterate the conflicting viewpoints advanced by the examiner and the appellants regarding the above-noted rejections, we make reference to the answer (mailed July 8, 2005) for the examiner's complete reasoning in support of the rejections, and to the brief (filed April 25, 2005) for the appellants' arguments thereagainst.

Only those arguments actually made by appellants have been considered in this decision. Arguments which appellants could have made but chose not to make in the brief have not been considered. See 37 CFR § 41.37(c)(1)(vii) (eff. Sept. 13, 2004).

OPINION

In reaching our decision in this appeal, we have carefully considered the subject matter on appeal, the rejections advanced by the examiner, and the evidence of anticipation and obviousness

¹ The rejection of claim 22 under 35 U.S.C. § 112, first paragraph has been withdrawn by the examiner (answer, page 6).

relied upon by the examiner as support for the rejections. We have, likewise, reviewed and taken into consideration, in reaching our decision, appellants' arguments set forth in the briefs along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer. Upon consideration of the record before us, we make the determinations which follow.

We begin with the rejection of claims 1, 5-13, 16-22, 24, 25, 32-35 and 38 under 35 U.S.C. § 102(e) as being anticipated by or in the alternative, under 35 U.S.C. § 103(a) as being unpatentable over Jovicic.

We observe at the outset appellants' assertion (brief, page 12) that "[t]here are many fundamental differences between the present invention and the Jovicic patent. These are differences in purpose, architecture and operation." As noted by the examiner (answer, page 6), "there is no reference to the claims or the rejection in pp. 11-14 of the brief."

From our review of pages 11-14 of the brief, which contains most of appellants arguments regarding the rejections under 35 U.S.C. § 102 and 35 U.S.C. § 103, we agree with the examiner that there is no reference to either the claims or the rejections.

Rather, we find arguments relating to the differences between appellants' disclosure and the Jovicic patent. The only claims referred to by claim number in the brief appears on page 15, where claims 7 and 32 are argued. Accordingly, we select claim 1, the broadest claim on appeal as representative of the claims rejected under 35 U.S.C. § 102 and 35 U.S.C. § 103, and will separately address claims 7 and 32. In addition, as to the rejection of claims 2-4, 14, 15, 23, 26-31, 36, 37 and 39 under 35 U.S.C. § 103(a), although not specifically argued by appellants, because appellants are entitled, procedurally to consideration of at least one claim from each group rejected under a separate ground of rejection, we select claim 2 as representative of the group.

Turning to claim 1, we note as background that anticipation is a question of fact. In re King, 801 F.2d 1324, 1326, 231 USPQ 136, 138 (Fed. Cir. 1986). The inquiry as to whether a reference anticipates a claim must focus on what subject matter is encompassed by the claim and what subject matter is described by the reference. As set forth by our reviewing court in Kalman v. Kimberly-Clark Corp., 713 F.2d 760, 772, 218 USPQ 781, 789 (Fed. Cir. 1983), it is only necessary for the claims to "read on"

something disclosed in the reference, i.e., all limitations of the claim are found in the reference, or 'fully met' by it." prior art reference may anticipate without disclosing a feature of the claimed invention if that missing characteristic is necessarily present, or inherent, in the single anticipating reference. Continental Can Co. v. Monsanto Co., 948 F.2d 1264, 1268 (Fed. Cir. 1991). Schering Corp. v. Geneva Pharm., Inc., 339 F.3d 1373, 1377 (Fed. Cir. 2003).

We further note as background that in rejecting claims under 35 U.S.C. § 103, it is incumbent upon the examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966). The examiner must articulate reasons for the examiner's decision. In re Lee, 277 F.3d 1338, 1342, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002). In particular, the examiner must show that there is a teaching, motivation, or suggestion of a motivation to combine references relied on as evidence of obviousness. Id. at 1343. The examiner "cannot simply reach conclusions based on its own understanding

or experience - or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings."

In re Zurko, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001). Thus the examiner must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the examiner's conclusion. However, a suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references. The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art. In re Kahn, 441 F.3d 977, 987, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006) citing In re Kotzab, 217 F.3d 1365, 1370, 55 USPQ2d 1313 (Fed. Cir. 2000). See also In re Thrift, 298 F. 3d 1357, 1363, 63 USPQ2d 2002, 2008 (Fed. Cir. 2002). These showings by the examiner are an essential part of complying with the burden of presenting a *prima facie* case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d

1443, 1444 (Fed. Cir. 1992). If that burden is met, the burden then shifts to the applicant to overcome the *prima facie* case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See Id.; In re Hedges, 783 F.2d 1038, 1039, 228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976).

The examiner's position can be found on page 4 of the answer. Appellants assert (brief, page 12) that in Jovicic, the coupon is collected and stored by the user. Appellants explain that "[a] coupon must be collected (or 'clipped' by the customer) and then provided by the customer to the merchant for redemption." Appellants add (brief, page 13) that according to the present invention, records are stored centrally, and there is no need for the rewards to be transmitted to or stored by the user.

Claim 1 recites "storing the reward identifier with the identity of the user in a database." We find from the disclosure of Jovicic (col. 2, lines 48-51) that upon selection of a coupon by the user, the system records the selection, including the

coupon's serial number and the user's identification number in the coupon database. From this disclosure, we find that the coupon (reward) identifier (coupon serial number) is stored in the database along with the identity of the user (user's identification number). In addition, we note that upon accessing the browsing memory 128 where coupons are stored and ready for selection by users (col. 6, lines 11-13) the user will select a coupon, which is a reward for selecting the coupon image in the browsing data base; see (col. 4, lines 44-47).

Appellants are correct that in Jovicic, the user will select and print coupons to be redeemed at a merchant (col. 2, lines 41-45). However, Jovicic additionally discloses (col. 3, lines 11-13) that "[a]n added feature of the invention is that the coupons can take an entirely electronic form, providing optional electronic redemption at the retail outlet." It is further disclosed (col. 8, lines 18-21) that an added feature of the invention is that a user can choose to send the coupon directly to the vendor's internet node over the public computer network, rather than sending the coupon to themself or storing the coupon for later handling. Accordingly, we are not persuaded by appellants' assertion that the coupon is stored by the user and

provided to the merchant for redemption. Nor are we persuaded by appellants' assertion (brief, page 13) that in the present invention, there is no central location to view and select rewards prior to allocation by the user because in appellants' invention a reward is allocated to the user when the user selects an advertising image.

In Jovicic (col. 6, lines 49 and 50) the electronic coupon is preferably a combination of indicia and graphics. It is further disclosed (col. 7, lines 12-14) that the digital representation of a graphical image of the product could bear a symbol, logo or an image related to the product graphically identifying the product.

From this disclosure, we find that in Jovicic, the reward (coupon provided as a result of the customer selecting the image from among all of the available images) is allocated to the user when the user selects an advertising image. In addition, we find no language in claim 1 that would preclude a central location where a user can view and select rewards prior to allocation by a user.

Nor are we persuaded by the assertion that the invention prevents users from misplacing rewards to which they are entitled because, as noted supra, Jovicic discloses this feature (col. 8, lines 21-23). Nor are we persuaded, for the same reasons, by appellants' assertion that in appellants' invention there is no need for rewards to be sent to the user because the specification recites (page 9) that the reward "need not" be transferred to the user. This suggests that the record can be transferred to the user even though it is not a preferred embodiment.

Appellants additionally assert (brief, page 14) that Jovicic does not have a central database of rewards that the user is entitled to redeem and is accessible to the user.

We note at the outset that claim 1 does not recite a central database of rewards that the user is entitled to redeem and is accessible to the user. In addition, we find from the disclosure of Jovicic that the redemption center can electronically verify the validity of the coupon by accessing various electronic means, the Internet Coupon Notification Center (ICNC) database and coupon redemption database and verifying whether the coupon brought to the redemption center by the customer is valid (col. 11, lines 15-120. In addition, from the disclosure (col. 8,

lines 19-23) that instead of bringing a coupon to the redemption center, the coupon can be sent directly to the vendor Internet node, we find that Jovicic inherently teaches a central database of rewards that the user is entitled to redeem. However, although the redemption center verifies the validity of the coupon, Jovicic does not disclose that the user accesses the database. In addition, we note that if the coupon is entirely electronic and is directly sent to the vendor Internet node, the vendor will be able to look up the coupon for the user before determining the validity of the coupon, especially, if the user has selected plural coupons from a single vendor.

In addition, we note that claim 1 recites "seamlessly determining the identity of the user when said advertising image is selected." From our review of appellants specification, we find that although the specification discusses seamless determination in the context of using cookies to identify the user, the specification also discusses having the user input information if the customer's computer does not accept cookies or the customer is using a different computer (see pages 11, 19, 21 and 22). We find no language in the specification, and none has been pointed to by appellants, to the effect that the user

entering identification information would be a non-seamless transaction. In addition, we find from claim 3, which depends from claim 1, that the step of determining the identity of the user is further defined. From our review of claim 1, from which claim 3 depends, we find that the determining the identity of the user refers to the "seamlessly determining the identity of the user" as recited in claim 1. In claim 3, the limitation further includes asking the user to input an ID number if there is no cookie storing an ID number. Thus, we find from specification and claims that the language "seamlessly determining the identity of the user" is broad enough to include user input. In addition, we find nothing in the language of the claim that would preclude a user from registering at a site before having the system determine the user's identity when a selection is made. Moreover, we note that in appellants' specification, after the user clicks on a reward logo, the system determines the identity of the user through a cookie or user input of information (page 19). Thus, although the claim recites determining the identity of the user when the image is selected, the determination actually takes place after selection of the image. As pointed out by the examiner, when the consumer selects a coupon, the system of Jovicic records the selection, including the coupon's

serial number and the user's identification number. In addition, we find from the nature of the problem to be solved and the level of skill in the art, that whether a user logs in and makes a selection or makes a selection and logs in to complete the process would have been obvious to an artisan.

Claim 1 additionally recites "optionally redirecting the local computer to a web page associated with the image." We note at the outset that because the limitation is optional, the limitation does not have to be met by the reference to meet the claim. In addition, the claim does not recite that the redirecting step is automatically done or who performs the step. As drafted, the step could be manually done by user. For example, if a user were given a discount on a Sony™ DVD player, the user would be motivated to go to the Sony™ website to see what DVD players were available. Thus, even if the limitation were required to meet claim 1, the limitation is met by Jovicic because a user would have been inherently taught or in the alternative, motivated to the website of the reward or coupon promoter to view the product the coupon is for.

From all of the above, we find that the teachings of Jovicic are sufficient to establish a prima facie case of anticipation,

or in the alternative, obviousness of claim 1, and are not convinced of any error on the part of the examiner. Accordingly, the rejection of claim 1 under 35 U.S.C. § 102(e) or in the alternative 35 U.S.C. § 103(a) is sustained, along with claims 5, 6, 8-13, 16-22, 24, 25, 33-35, and 38, which fall with claim 1.

We turn next to claim 7. Claim 7 recites "providing the user, via the internet, a list of awards that have been allocated to the user." Appellants assert (brief, page 15) that

[T]he Examiner does not cite any part of the Jovicic patent that teaches the *allowing* access steps of claim 7. There is no need for the user to have such access in the Jovicic patent, because the user has possession the coupon, which is not necessarily the case in relation to the present invention.

The examiner responds (answer, page 7) that in Jovicic, the user is given access to the browsing memory 128 which reads on both a database and a list of rewards (coupons).

From our review of claim 7, we note that the claim does not recite that the user is given access to a list of rewards or coupons already selected by the user. Rather, the claim recites that the user has access to a list of rewards allocated to the user.

From our review of *Jovicic*, we find that although the user can redeem entirely electronic awards at the retailer who can verify the validity of the coupon by the electronic means e.g., the ICNC database and the coupon redemption database (col. 11, lines 15-19 and col. 7, lines 49-54), the redemption is done by the retailer. However, from the broad language of the claim that the user accesses the list of rewards that have been allocated to the user, we find that this limitation is met by the user accessing the browsing memory for coupons available for selection by the user, because the term "allocate" means to set apart.² Although the specification refers to allocation (page 20), we find no specific definition in appellants' specification, and no part of the specification has been pointed to by appellants, that would suggest appellants meant to limit the meaning of the term "allocated" to "previously selected." Accordingly, we will sustain the rejection of claim 7 under 35 U.S.C. § 102 and 35 U.S.C. § 103(a).

² Webster's New World Dictionary, ©1972, The World Publishing Company. A copy of the pertinent page of the dictionary is enclosed with the Decision.

We turn next to claim 32. We cannot sustain the rejections of claim 32, and claims 32-35, which depend therefrom because Jovicic neither teaches nor suggests "the user computer enabling the user to select a reward for redemption from the list of rewards previously collected by the user" as recited in claim 32. In Jovicic, there is no disclosure of the user being enabled to select a reward for redemption from the list of rewards previously collected by the user, because in Jovicic, the redemption performs this function, and there is no evidence in the record to suggest the obviousness of this limitation.

We turn next to the rejection of claims 2-4, 14, 15, 23, 26-31, 36, 37 and 39 under 35 U.S.C. § 103(a) as being unpatentable over Jovicic. At the outset, we cannot sustain the rejection of claims 36 and 37 because of their dependency from independent claim 32. Turning to claim 2, we note that appellants have not provided any arguments with respect to this claim. From our review of the record, we agree with the examiner that because the use of cookies as an identifier are well known conveniences, that it would have been obvious to an artisan to store a user ID in a cookie/local computer data file. Accordingly, we are not

persuaded of any error on the part of the examiner in rejecting claim 2. The rejection of claim 2 under 35 U.S.C. § 103(a) is sustained, along with claims 3, 4, 14, 15, 23, 26-31 and 39, which fall with claim 2 as they have not been separately argued by appellants.

CONCLUSION

To summarize, the decision of the examiner to reject claims 1, 5-13, 16-22, 24, 25 and 38 under 35 U.S.C. § 102 or in the alternative under 35 U.S.C. § 103, is affirmed. The decision of the examiner to reject claims 32-35 under 35 U.S.C. § 102 or in the alternative under 35 U.S.C. § 103(a) is reversed. The decision of the examiner to reject claims 2-4, 14, 15, 23, 26-31 and 39 under 35 U.S.C. § 103 is affirmed. The decision of the examiner to reject claims 36 and 37 under 35 U.S.C. § 103 is reversed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a)(1)(iv).

AFFIRMED-IN-PART

Terry J. Owens
TERRY J. OWENS
Administrative Patent Judge

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